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SUBJECT: RED SEA PIRACY: HUDAYDAH'S PUBLIC AND PRIVATE
SECTORS HIT HARD

¶1. (SBU) SUMMARY. In a July 21 visit to Hudaydah, political figures, business leaders, and the local Coast Guard commander described how piracy is driving up business and security costs for public and private sector alike, at a time when both are feeling squeezed by the international financial crisis. While the ROYG is devoting more resources to combating piracy, various interlocutors agree that piracy cannot be eliminated until the situation in Somalia stabilizes. END SUMMARY.

PIRACY MOVES NORTH INTO THE RED SEA

¶2. (U) International efforts to combat piracy in the Gulf of Aden and Bab-al-Mandab straits have pushed piracy northward into the Red Sea. While no vessel transiting the Red Sea has yet been captured by pirates, Yemeni forces thwarted three attempted attacks against Hudaydah-bound vessels in the month of July. In fact, on July 21, the same day that EmbOffs visited Hudaydah, Yemeni forces fought off a fierce attack by 14 pirate boats against a Yemeni oil tanker en route to Hudaydah, Yemen's largest Red Sea port. According to the International Maritime Bureau, attempted hijackings in the Red Sea have increased from zero last year to four so far this year, with another two attempts at the northern reaches of the Bab-al-Mandab.

PIRACY'S IMPACT ON HUDAYDAH

¶3. (SBU) During their day trip to Hudaydah, EmbOffs heard from political figures, business leaders, and the Yemeni Coast Guard (YCG) about how piracy is affecting the governorate. Hudaydah Chamber of Commerce head and General People's Congress (GPC) Member of Parliament Abduljalil Thabet told EconOff that piracy attacks had taken a severe toll on port calls at Hudaydah in the past year. A roundtable of Hudaydah businessmen said all aspects of the local economy had been negatively affected by the reduced number of ships in the area and the arrival of hundreds of Somali immigrants every year. Hudaydah Governor Ahmed Salem al-Jabali echoed those concerns, telling EmbOffs that piracy is driving up insurance rates, transportation rates, and port operational costs, and "putting more financial burdens on the government," which is already feeling the strain from the international financial crisis. Representatives of the opposition Joint Meeting Parties (JMP) also included piracy among the problems plaguing Hudaydah governorate. Hade Hayj of the Islah Party told EmbOffs that piracy "is an example of our interconnected world" and that the solution is ultimately political: resolving the situation in Somalia.

ROYG ANTI-PIRACY EFFORTS

¶4. (SBU) The Hudaydah branch of the YCG has an area of

responsibility that stretches north from Hudaydah to Midi, about 557 kilometers of coastline. "We do a lot with a little," said Hudaydah Coast Guard General Manager Colonel Jamal Shaif when describing his force's anti-piracy efforts. He said their greatest needs are larger boats and better weapons that do not corrode at sea. Shaif said the YCG is feeling the effect of recent budget cuts and is slashing its expenses on everything but fuel and maintenance. (Note: According to Major Amen al-Ansei, YCG Director of Public Relations, the YCG's budget for 2009 was cut by half, except for its fuel budget, which was cut by 25 percent. End Note.)

The Hudaydah Coast Guard has also begun providing international commercial vessels with shipriders for a fee. (Note: According to Ansei, the YCG expects to generate about \$200,000 per year from the shipriders program; this money will be used to cover operational expenses. End Note.) The Yemeni Navy (YNAV) is also fighting piracy in the Red Sea, and has joined 10 Arab nations (the GCC plus Djibouti, Jordan, Egypt, and Sudan) in an all-Arab Maritime Task Force, led by the Saudi Navy.

15. (SBU) To help address the YCG's equipment needs, the USG is providing two mid-sized (28-meter) boats. YCG Commander Ali Ahmed Rassa told PolOffs on July 13 that the Japanese government may provide an additional three mid-sized ships and the ROYG may purchase others. With them, said Rassa, "We will be able to participate with international forces in international waters." However, Rassa acknowledged that "eliminating piracy will be impossible without solving the Somalia problem."

COMMENT

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16. (SBU) Piracy in the Gulf of Aden - and increasingly in the Red Sea - is hurting Hudaydah businesses and stretching the already limited resources of one of Yemen's poorest governorates and the YCG. While the Coast Guard has managed to prevent any pirate captures thus far, if piracy continues to increase in the Red Sea, it is only a matter of time before an attack is successful. END COMMENT.
BRYAN